REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE:

May 3, 2005

ANALYST:

Samantha Dachik

I. COMMITTEE:

Ravenel for U.S. Senate

C00386953

Ben Whaley Le Clercq, Treasurer

Post Office Box 896 Charleston, SC 29402

II. RELEVANT STATUTE:

2 U.S.C. §434(b),

2 U.S.C. §434(a)(3)(B) 11 CFR §104.3(a) and (b)

11 CFR §§400.21(a) and 400.22(a)

III. BACKGROUND:

A. Failure to Provide Supporting Schedules (Failure to Disclose All Financial Activity)

Ravenel for U.S. Senate ("the Committee") amended its 2003 Year-End Report disclosing additional receipts totaling \$33,969.36 and disbursements totaling \$105,121.99, an increase over the financial activity reported in their original 2003 Year-End Report (Attachment 3).

On January 29, 2004, the Committee filed the 2003 Year-End Report (Image 24020081651). The report disclosed total receipts of \$68,925.64 and \$443,106.71 in disbursements.

On April 8, 2004, the Committee filed an Amended 2003 Year-End Report, dated 4/7/04 (Image 24020172309). The report disclosed total receipts of \$80,506.52 and total disbursements of \$449,809.97.

On July 15, 2004, the Committee filed another Amended Year-End Report, dated July 14, 2004 (Image 24021002036). The amended report disclosed total receipts of \$102,895.00 and total disbursements of \$548,228.70.

On August 17, 2004, the Reports Analysis Division (RAD) sent a Request for Additional Information (RFAI) to the Committee referencing the Amended Year-End Report, dated July 14, 2004 (Image 24038500446). The RFAI requested that the

On September 15, 2004, the Committee called the RAD Analyst in regards to the RFAI referencing the Amended Year-End Report, dated July 14, 2004. The Committee stated that the increased activity on the latest amendment was a result of switching software vendors during the course of their campaign. The Analyst advised the Committee to file an amendment explaining the reasons for the increase (Attachment 4).

On September 16, 2004, the Committee filed an additional Amended Year-End Report, dated September 15, 2004 (Image 24020723094). The amended report highlighted the following committee statement: "As you know, during the course of the campaign we made changes in our reporting software and separately undertook a comprehensive review of reporting records. Resulting errors were corrected and incorporated into amended reports that we subsequently filed with the Commission. The changes indicated in the report in question are the result of that effort and are an accurate reflection of the committee's activity."

To date, no further communication has been received from the Committee regarding the matter above.

B. Failure to Timely File 24-Hour Notice of Expenditure from Candidate's **Personal Funds**

The Committee failed to timely file five (5) 24-Hour Notices of Expenditure from Candidate's Personal Funds (FEC FORM 10) after Thomas Ravenel ("the Candidate") made expenditures from personal funds aggregating in excess of \$10,000 for the 2004 Primary Election (Attachment 5).

On July 1, 2003, the Committee filed an FEC FORM 10 disclosing \$950,000 in expenditures from the Candidate's personal funds for the 2004 Primary Election (Image 23038114769).

On July 15, 2003, the Committee filed the 2003 July Quarterly Report (Image 23020281345). The report disclosed the receipt of one (1) loan from the personal funds of the Candidate totaling \$950,000. The loan was received on June 30, 2003 and designated for the 2004 Primary Election. The loan also exceeded the reporting threshold of \$553,840.00 for Senate Candidates as published by the Commission. The threshold for the Committee was calculated in the following manner: 3,173,000 (voting age population for South Carolina) $\times .08 \text{ } \text{¢} + \$300,000 = \$553,840$

On October 20, 2003, the Committee filed the 2003 October Quarterly Report (Image 23020410064). The report disclosed the receipt of one (1) loan from the Candidate's personal funds totaling \$50,000. The loan was received on September 30, 2003 and designated for the 2004 Primary Election.

On November 18, 2003, an RFAI referencing the 2003 October Quarterly Report

² The RFAI sent on August 17, 2004 incorrectly referenced the first amended report instead of the original Year-End Report filed on January 29, 2004 However, the Committee understood that the RFAI was in reference to the original Year-End Report as evidenced by the Committee's September 15, 2004 phone call to the RAD Analyst in which the situation was thoroughly discussed. The Committee's subsequent response to the RFAI also references the original Year-End Report

was sent by RAD to the Committee (Image 23038241947). RFAI noted the failure of the Committee to file the FEC FORM 10 for additional expenditures from the Candidate's personal funds aggregating in excess of \$10,000 and requested that the Committee either clarify the incorrect disclosure of the Candidate's expenditures or immediately file the FEC FORM 10.

On December 17, 2003, the Committee filed an Amended 2003 October Quarterly Report (Image 23020510336). The amended report disclosed an apology for omitting a subsequent FEC Form 10 and noted that corrective action has been taken. Also, on December 17, 2003, the Committee filed an FEC FORM 10 (Image 23020510526). The FEC FORM 10 disclosed \$50,000 in expenditures from the Candidate's personal funds on September 30, 2003 for the 2004 Primary Election. Thus, the form was filed seventy-five (75) days late.

On May 27, 2004, the Committee filed the 2004 12-Day Pre-Primary Report (Image 24020371358). The report disclosed the receipt of five (5) loans from the personal funds of the candidate totaling \$1,250,000. All loans were designated for the 2004 Primary Election and were filed timely (Images 24020171749; 24038371169; 24020310488; 24020321676; 24020340605).

On May 27, 2004, the Committee filed a FEC FORM 10 disclosing \$250,000 in expenditures from the Candidate's personal funds on that same day (Image 24020371499).

On June 3, 2004, the Committee filed an additional FEC FORM 10 disclosing \$285,000 in expenditures from the Candidate's personal funds on June 2, 2004 (Image 24020372755).

On June 14, 2004, the Committee filed another FEC FORM 10 disclosing \$50,000 in expenditures from the Candidate's personal funds on June 10, 2004 (Image 24020380313). Thus, the form was filed two (2) days late.

On September 14, 2004, an RFAI referencing the 2004 July Quarterly Report was sent by RAD to the Committee (Image 24038514050). The RFAI noted the failure of the Committee to file the FEC FORM 10 for additional expenditures from the Candidate's personal funds (\$45,000-6/15/04 and \$40,000-6/30/04) aggregating in excess of \$10,000.00 and requested that the Committee either clarify the incorrect disclosure of the Candidate's expenditures or immediately file the FEC FORM 10.

On October 13, 2004, the Committee filed an Amended 2004 July Quarterly Report (Image 24020802620). The amendment noted that the additional expenditures on 6/15/04 and 6/30/04 were "post-election," and the Committee was not aware an FEC FORM 10 was required after the date of the Primary Election.³ Also, on October 14, 2004, the Committee filed two (2) FEC FORM 10's disclosing expenditures of personal funds.⁴ The first FEC FORM 10 disclosed \$45,000 in expenditures from the Candidate's personal funds on 6/15/04. The second FEC FORM 10 disclosed \$40,000 in expenditures from the Candidate's personal funds on 6/30/04. Thus, the forms were filed one-hundred nineteen (119) and one-hundred four (104) days late, respectively.

³ The Candidate lost the Primary Election held on June 8, 2004.

⁴ The forms were attached to the Amended 2004 July Quarterly Report (Image 24020802620).

On October 13, 2004, the Committee filed another Amended 2004 July Quarterly Report (Image 24020802833).⁵ The report disclosed the receipt of five (5) contributions from the personal funds of the Candidate totaling \$670,000 (\$250,000-5/27/04; \$285,000-6/2/04; \$50,000-6/10/04; \$45,000-6/15/04; \$40,000-6/30/04). The contributions were designated for the 2004 Primary Election.

On October 14, 2004, the Committee filed the 2004 October Quarterly Report (Image 24020802471). The report disclosed the receipt of one (1) contribution from the personal funds of the candidate totaling \$16,500. The contribution was received on August 3, 2004 and designated for the 2004 Primary Election. The FEC FORM 10 disclosing \$16,500 in expenditures from the Candidate's personal funds was filed on 10/13/04. Thus, the form was filed seventy (70) days late.

On December 1, 2004, the RAD Analyst spoke with the Committee's assistant treasurer, Debra Tillman, in regards to the Committee's obligation to file a Form 10 after the Candidate lost the primary election. The Analyst explained that upon discussing the matter with management, it was initially decided that the Committee was not required to file a Form 10 after the Candidate lost the election. Therefore, the Analyst told Ms. Tillman that there were no outstanding issues with the Committee (Attachment 6).

On March 9, 2005, the RAD Analyst called the Committee's assistant treasurer, Debra Tillman. The Analyst explained that the Committee would be referred to the FEC Office of General Counsel (OGC) for the untimely filing of several FEC Form 10's for the 2004 Primary Election. The analyst explained to Ms. Tillman that upon further discussion of the matter with management and internal staff, it was determined that the Committee was, in fact, required to file a Form 10 for any contribution or loan from the Candidate that aggregated in excess of \$10,000, regardless of whether the Candidate lost the primary election. The Analyst advised Ms. Tillman that the General Counsel's Office would be investigating the matter further (Attachment 7).

On March 10, 2005, an RFAI referencing the 2004 October Quarterly Report was sent by RAD to the Committee (Image 25038751866). The RFAI noted that the Committee appeared to have filed the FEC FORM 10 received October 13, 2004 more than twenty-four (24) hours after the disclosed expenditure from the Candidate's personal funds.

On April 14, 2005, the Committee's assistant treasurer, Debra Tillman, called to ask the RAD Analyst if the Office of General Counsel had yet made a determination concerning the matter of the untimely filing of the FEC Form 10's. The analyst explained that the Committee would receive communication directly from the General Counsel's

⁵ The Committee filed the original 2004 July Quarterly Report on July 14, 2004. However, the report contained incorrect coverage dates and included activity from the previous report. An RFAI was sent by RAD to the Committee advising them to amend the report by including only the financial transactions that occurred between May 20, 2004 and June 30, 2004.

⁶ This form was also attached to the Amended 2004 July Quarterly Report (Image 24020802620).

⁷ As a result of the Candidate losing the Primary Election on June 8, RAD initially concluded that the Committee no longer had to file a FEC Form 10 for any expenditures made from the Candidate's personal funds after June 8, since these expenditures were made after the election was held. However, upon informal written guidance from the FEC Office of General Counsel on February 18, 2005, it was decided that the Committee should, in fact, continue filing a FEC FORM 10 anytime the Candidate makes expenditures from personal funds aggregating in excess of \$10,000.00.

Office in regards to referable matters (Attachment 8).



To date, no further communications have been received from the Committee regarding the matters above.

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RAVENEL, THOMAS JONATHAN JACKSON

SENATE

BEN WHALEY LE CLERCQ FILING FREQUENCY. QUARTERLY

RAVENEL FOR US SENATE

POST OFFICE BOX 896

CHARLESTON

SC 29402

ID #C00386953

FORM TYPE	RPT TYPE AI	PGI	REC DATE	PGS	BEG IMAGE	COVERAC	SE DATES	BEG CASH	RECEIPTS	DISBURSE	END CASH	DEBTS BY
1	N		5/15/2003	7	23020212910							
i	Ä		7/02/2003		23020212910							
i	Ä		7/02/2003		23020250511							
1	A		12/17/2003		23020511240							
MS	X		7/01/2003	3	23038114769							
MS	X		7/02/2003	5	23020250519							
MS	X		12/17/2003	4	23020510526							
MS	Х		4/02/2004	3	24038350615							
MS	X		4/02/2004	4	24020171749							
MS	X		4/09/2004	4	24020172654							
MS	Х		4/16/2004		24038371169							
MS	X		4/16/2004		24020223352							
MS	X		4/17/2004		24038372035							
MS	X		4/22/2004		24038391458							
MS	X		4/22/2004		24020310488							
. MS	X		5/06/2004		24038403443							
MS	X		5/06/2004		24020321676							
MS Si MS	X		5/20/2004		24020340605							
S MS S MS	4		5/26/2004		24020370954							
	X		5/27/2004		24038422076							
	X		5/27/2004		24020371499							
	4		5/28/2004 6/01/2004		24020372149 24020372453							
T. MC	x		6/03/2004		24020372433							
ALM MC	x		6/03/2004		24020372755							
™J MS	4		6/04/2004		24020372917							
MS MS	4		6/07/2004		24020372959							
CO MS	X		6/14/2004		24020380313							
(f) MS	X		10/14/2004		24020750693							
₩S	X		10/14/2004		24020750695							
MS	Х		10/14/2004		24020750696							
RQ	Q2 2		9/02/2003	3	23038200454	4/01/2003	6/30/2003					
RQ	Q2 2		11/18/2003	3	23038241944	4/01/2003	6/30/2003					
RQ	Q3 2		11/18/2003	4	23038241947	7/01/2003	9/30/2003					

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SENATE

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SC 29402

ORM TYPE	RPT TYPE	ΑI	PGI REC DATE	PGS	BEG IMAGE	COVERA	GE DATES	BEG CASH	RECEIPTS	DISBURSE	END CASH	DEBTS BY
RQ	Q3	2	6/22/2004	2	24038432057	7/01/2003	9/30/2003					
RQ	YE	2	3/09/2004	5	24038334505	10/01/2003	12/31/2003					
RQ	YE	2	4/27/2004	3	24038393990	10/01/2003	12/31/2003					
RQ	YE	2	6/22/2004	2	24038432059	10/01/2003	12/31/2003					
RQ	YE	2	8/17/2004	3	24038500446	10/01/2003	12/31/2003					
RQ	Q1	2	5/25/2004		24038421042	1/01/2004	3/31/2004					
RQ	Q1	2	6/22/2004	2	24038432061	1/01/2004	3/31/2004					
RQ	12P	2	6/22/2004	3	24038432063	4/01/2004	5/19/2004					
RQ	12P	2	6/22/2004	3	24038432086	4/01/2004	5/19/2004					
RQ	Q2	2	9/14/2004	4	24038514050	4/01/2004	6/30/2004					
RQ	Q2	2	10/05/2004	4	24038530772	4/01/2004	6/30/2004					
RQ	Q3	2	3/10/2005	3	25038751866	7/01/2004	9/30/2004					
RQ	YE	2	3/24/2005	3	25038762875	10/01/2004	12/31/2004					
L በ												
L Ø3	Q2	N	7/15/2003	30	23020281345	4/01/2003	6/30/2003	0	1021501	893	1020608	950000
~\3	Q2	Α	9/30/2003	7	23020363512	4/01/2003	6/30/2003	-	-	-		•
⊕ ³	Q2	Α	12/17/2003	5	23020510331	4/01/2003	6/30/2003	•	-	-	-	
<u>m</u> 3	Q2	A	7/15/2004	35	24020541977	4/01/2003	6/30/2003	0	1021506	1030	1020475	950000
다 ₃ 덕3	Q3	N	10/20/2003	64	23020410064	7/01/2003	9/30/2003	1020608	104326	476064	648869	1000000
√ 3	Q3	Α	12/17/2003	5	23020510521	7/01/2003	9/30/2003	-	-	-	-	-
5 3	Q3	Α	12/17/2003	6	23020510336	7/01/2003	9/30/2003	-	-		-	-
⊜ 3	Q3	Α	1/29/2004	78	24020081781	7/01/2003	9/30/2003	1020608	105331	621788	504150	1000000
ഗ്ര3	Q3	Α	7/15/2004	76	24020542012	7/01/2003	9/30/2003	1020475	100478	486484	634469	1000000
^\ 3	YE	N	1/29/2004	130	24020081651	10/01/2003	12/31/2003	504150	68925	442406	120060	100000
3	YE	A	4/08/2004		24020172309		12/31/2003	504150	80506	443106	129969	1000000
	YE	A	7/15/2004		24021002036					449809	134846	1000000
3 3	YE	A	9/16/2004		24021002036		12/31/2003 12/31/2003	634469	102895	548228	189135	1000000
J	16	^	9/10/2004	4	Z4UZU1 Z3U94	10/01/2003	12/3//2003	•	•	-	-	-
3	Q1	N	4/14/2004	93	24020230001	1/01/2004	3/31/2004	190677	52859	199677	43860	1000000

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FORM TYPE	RPT TYPE	AI.	PGI	REC DATE	PGS	BEG IMAGE	COVERA	GE DATES	BEG CASH	RECEIPTS	DISBURSE	END CASH	DEBTS BY
3	Q1	Α		7/15/2004	93	24020542231	1/01/2004	3/31/2004	189135	54271	199770	43637	1000000
3	Q1	A		7/15/2004	80	24020542324	1/01/2004	3/31/2004	189135	54271	199770	43637	1000000
3	12P	N		5/27/2004	98	24020371358	4/01/2004	5/19/2004	43860	1278798	1218533	104125	2250000
3	12P	Α		7/20/2004	10	24020671560	4/01/2004	5/19/2004	43637	1279878	1221225	102290	2250000
3	12P	Α		7/21/2004	100	24020592265	4/01/2004	5/19/2004	43637	1279878	1221225	102290	2250000
3	12P	Α		8/25/2004	11	24020671570	4/01/2004	5/19/2004	-	-		-	-
3	12P	A		8/25/2004	10	24020671550	4/01/2004	5/19/2004	-	•	-	-	-
3	Q2	N		7/14/2004	139	24020490662	4/01/2004	6/30/2004	43637	1976664	1962136	58165	2920000
3	Q2	Α		10/13/2004	71	24020802833	5/20/2004	6/30/2004	102290	696786	740911	58165	250000
3	Q2	Α		10/13/2004	7	24020802620	4/01/2004	6/30/2004	-	-	-	-	-
3	Q2	A		11/03/2004	72	24021002211	5/20/2004	6/30/2004	102290	696786	740911	58165	250000
3	Q3	. N		10/14/2004	25	24020802471	7/01/2004	9/30/2004	58165	39273	88368	9070	250000
3	YE	N		1/31/2005	14	25020062888	10/01/2004	12/31/2004	9070	847	9418	500	250000
3	YE	A		4/15/2005	11	25020191057	10/01/2004	12/31/2004	9070	847	9418	500	250000
un.						•		TOTAL		3295934	3295434		

Attachment 1

Ravenel for U.S. Senate (386953) 2003 Year End Report - Receipt and Disbursement Overview

Receipts: 49% increase.

Line	(dated 1/29/04)	Amended Report (dated 7/14/04) (linage 24021002036)
Line 11(e): Total Contributions (11aiii + 11b + 11c + 11d)	\$58,087.00	\$69,667.88
Line 15: Other Receipts	\$10,838.64	\$33,227.12
Line 16: Total Receipts	\$68,925.64	\$102,895.00

Disbursements: 24% increase.

Line	Original Report (dated 1/29/04) (Image 24020081651)	Amended Report (dated 7/14/04) , Image (24021002036)
Line 22: Total Disbursements	\$443,106.71	\$548,228.70

Ravenel for U.S. Senate (C00386953)
Candidate Expenditures from Personal Funds for 2004 Primary Election

Expenditure Amount	Type of Expenditure	Receipt Date Listed On Report	Report Which Expenditure is Disclosed On	Aggregate Total for Primary Election	Form 10 Filed?	Date Form 10 Filed	Number of days late
\$950,000.00	Loan	6/30/03	Q2 2003	\$950,000.00	>	7/1/03	Filed Timely
\$50,000.00	Loan	9/30/03	Q3 2003	\$1,000,000.00	>	12/17/03	75
\$150,000.00	Loan	4/1/04	12P 2004	\$1,150,000.00	>	4/2/04	Filed Timely
\$300,000.00	Loan	4/15/04	12P 2004	\$1,450,000.00	>	4/16/04	Filed Timely
\$200,000.00	Loan	4/21/04	12P 2004	\$1,650,000 00	>	4/22/04	Filed Timely
\$300,000.00	Loan	5/5/04	12P 2004	\$1,950,000 00	 	5/6/04	Filed Timely
\$300,000.00	Loan	5/19/04	12P 2004	\$2,250,000.00	>	5/20/04	Filed Timely
\$250,000.00	Contribution*	5/27/04	Q2 2004	\$2,500,000.00	>	5/27/04	Filed Timely
\$285,000.00	Contribution*	6/2/04	Q2 2004	\$2,785,000.00	>	6/3/04	Filed Timely
\$50,000.00	Contribution	6/10/04	Q2 2004	\$2,835,000.00	>	6/14/04	7
\$45,000.00	Contribution	6/15/04	Q2 2004	\$2,880,000.00	>	10/14/04	119
\$40,000.00	Contribution	6/30/04	Q2 2004	\$2,920,000.00	>	10/14/04	104
\$16,500.00	Contribution	8/3/04	Q3 2004	\$2,936,500.00	>	10/14/04	70
Note: All loans and contributions were designated for	contributions we	ere designated for		the Primary Election, held on June 8, 2004			